Customs:

Recommendation

Multiplicity of levies should be reduced. There should be only 3 levies namely, basic customs duty, CVD and anti-dumping duty.

Removal of SAD should be linked to implementation of State VAT.

A four-tier customs duty structure of:

5% (for basic raw materials)

8% (for intermediates used for further manufacture)

10% (for finished goods other than consumer goods) and

20% for consumer durables.

The tax base should be
widened to improve the tax to GDP ratio and improve tax administration. As a policy all exemptions must be removed except in case of:

Comments

Accepted in principle.

SAD has been abolished, without waiting for State VAT which is likely to take more time.

Peak rate has been reduced to 20%. Peak rate of customs duty for metals has been reduced to 15%. This is a continuous process, and will be done taking into account the revenue needs and the need to protect domestic industry.

Exemptions are being removed as far as possible. As a policy, end-use based and sector-specific exemptions are avoided.

- life saving goods,
- goods of security and strategic nature,
- goods for relief and charitable purposes and
- international obligations.

LIC's share In ICICI Bank

1347. SHRI JANARDHANA POOJARY: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that LIC has raised its stake in ICICI bank;

(b) if so, the details in this regard; and

(c) the number and extent of LIC's stake in other banks and companies and its return therefrom?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) Yes, Sir.

(b) Life Insurance Corporation of India's holding in ICICI bank as on 31.3.2004 constituted 8.32% of the paid up capital of the Bank, which increased to 10.09% as on 10.08.2004.

(c) LIC has realized a profit of Rs. 2,424 crores from its equity portfolio during the financial year 2003-04. The book value of equity portfolio of LIC as on 10.08.2004 is Rs. 27,015 crores and its market value is Rs. 47,718 crores.

A list of private and public sector banks and companies where LIC has substantial exposure is given in the statement.

Statement

List of Private and Public Sector Banks and Companies where LIC has substantial exposure

List of Bank where LIC has substantial exposure:—

Name of the Bank	Percentage Holding
Corporation Bank	26.32%
UTI Bank Ltd.	16.25%
ICICI Bank Ltd.	10.10%
Oriental Bank of Commerce	6.69%
IDBI Bank	6.49%
HDFC Bank	5.82%
State Bank of India	5.33%
UCO Bank	5.21%
Syndicate Bank	2.19%
Dena Bank	1.83%
Bank of India	1.81%
Bank of Baroda	1.81%

List of Companies where LIC has substantial exposure:—

Name of the Company	Percentage Holding
Reliance Energy Limited	17.26%
Associated Cement Companies Limited	16.81%
Punjab Tractors Limited	14.97%
Sterlite Industries (India) Limited	14.87%
Gujarat Ambuja Cements Limited	14.80%
India Cements Limited	13.78%
Tata Tea Limited	13.64%
Tata Iron and Steel Company Limited	13.64%
Tata Chemicals Limited	13.35%
Escorts Limited	13.31%
Mahanagar Telephone Nigam Limited	12.68%
ITC Limited	11.84%
Indian Hotels Company Limited	11.55%
Bombay Dyeing and Manufacturing Co. Ltd.	11.29%
Britannia Industries Ltd.	11.09%
Tata Power Company Ltd.	10.81%
Ashok Leyland Limited	10.55%
ABB Ltd.	10.47%
Raymond Ltd.	10.44%
Glaxo Smithkline Pharma Limited	10.28%

Market Stabilisation Fund

1348. SHRIMATI KAMLAMANHAR:
SHRI DHARAM PAL SABHARWAL:
PROF. ALKA BALRAM KSHATRIYA:

Will the Minister of FINANCE be pleased to state:

(a) whether leading sharebrokers have suggested to Government